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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/700,067

11/03/2003

Douglas M. Durbano

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22913

7590

05/28/2008

WORKMAN NYDEGGER  
60 EAST SOUTH TEMPLE  
1000 EAGLE GATE TOWER  
SALT LAKE CITY, UT 84111

EXAMINER

SEE, CAROL A

ART UNIT

PAPER NUMBER

3696

MAIL DATE

DELIVERY MODE

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/700,067	<b>Applicant(s)</b> DURBANO, DOUGLAS M.	
	<b>Examiner</b> Carol See	<b>Art Unit</b> 3696	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 15 February 2008.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-27 is/are pending in the application.
- 4a) Of the above claim(s) 1-11 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 12-27 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Response to Amendment***

1. In response to Applicants Remarks/Arguments dated 2/15/2008, Examiner acknowledges applicant's cancellation of claims 1-11. Examiner further acknowledges Applicant's addition of new claims 12-27.

### ***Claim Objections***

2. Claims 1, 18 and 26 are objected to because of the following informalities:
- Claim 1 - the wording "and in" is confusing.
  - Claim 18 - the word "providing", used twice in the claim, should be changed to "provide" for uniformity.
  - Claim 26 – the phrase "to accept and service from" is confusing.

Appropriate correction is required.

### ***Claim Rejections - 35 USC § 101***

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claim 12 is rejected under 35 U.S.C. 101 because the claimed invention does not qualify as a patent eligible process under 35 USC § 101. Accordingly, claims 13-27 are rejected as depending from claim 12. Applicant's claim to a method of forming a

Art Unit: 3696

banking structure does not qualify as a statutory process because it recites purely mental steps.

5. Under the statutory requirement of 35 U.S.C. § 101, a claimed invention must fall into one of the enumerated statutory categories of patent eligible subject matter – a process, apparatus, composition of matter or article of manufacture .

Applicant's claim to a method of forming a business structure recites purely mental steps. Applicant does not positively recite another statutory class (apparatus or article) to which the method is tied, for example, by identifying the apparatus that accomplishes the method steps. (Please refer to the "Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility" for further explanation of the statutory requirement of 35 U.S.C. § 101.) Accordingly, claim 12 is rejected because the claimed process does not qualify as a statutory process.

### ***Claim Rejections - 35 USC § 112***

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claims 12, 15-17 and 27 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

As to claim 12, the meaning of each of the phrases "multi-class layered limited liability organization," "pass through tax status," "partnership scheme," and "interface" is not clear.

As to claim 15, the meaning of “a template defining the look and feel” is unclear and renders the claim vague and indefinite.

As to claim 16, the recitation in claim 16, fails to further limit claim 15, from which it depends. The claim language of claim 15 requires that a single limitation be addressed in the prior art, and claim 16 refers to only one of those possible limitations.

As to claim 17, the meaning of the phrase “other banking use or activities at least one franchise bank” is unclear.

As to claim 27, the meaning of the phrase “wherein the at least one franchise bank includes at least two franchise banks located in distinct locales.” Examiner interprets as a franchise bank with at least two separate subsidiaries.

### ***Claim Rejections - 35 USC § 103***

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 12, 18-21, 26-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Schloss (U.S. 2002/0065753) in view of Ford (Texas Banking, 1993) and further in view of official notice.

As to claim 12, Schloss shows a method of forming a FDIC insured banking structure that utilizes a multi-class layered limited liability organization having a pass

Art Unit: 3696

through tax status and in such a manner as to enable profits and losses to pass through to owners under a partnership scheme and while at the same time enabling banking customers to become profit sharing members that also participate in ownership and management of the banking structure, the method comprising:

organizing a bank holding company that is designated as a limited liability company (¶¶ 0053 and 0095 and Fig. 1, element 116, showing a holding company organized as a limited liability company);

organizing various business entities as limited liability companies, wholly owned and managed by the holding company ( organizing at least one franchise bank which is FDIC insured and organized as a limited liability company and which is wholly owned and managed by the bank holding company (¶¶ 0102, 0111 and 0126).

Schloss further shows a business entity being organized in such a manner as to provide services to customers comprising business entity members, wherein profit sharing distributions are made to the members and wherein at least some of the members are enabled to participate in management of the at least one business entity (¶¶ 0053, 0098 and 0099).

Schloss does not specifically show a bank holding company, a chartered bank, or a franchise bank.

Ford teaches organizing a bank holding company and a subsidiary chartered bank (pgs. 1-3, noting that a franchise bank may also be a chartered bank).

It would have been obvious to one of ordinary skill in the art at the time of the

invention to have modified the invention disclosed in Schloss by the teaching of Ford in order to realize tax advantages (pg. 1).

Examiner takes official notice that it is well known in the art that chartered banks are FDIC insured and organized to provide the services listed in their charter to customers. Further, the existence of many bank branches is well known in the art. Examiner further notes that as a matter of choice, organizers of business entities can decide how communications and interactions are to proceed, somewhat analogous to an organization chart, delineating various duties and responsibilities between parties.

It would have been obvious to one of ordinary skill in the art at the time of the invention to have further modified the invention disclosed in Schloss and Ford as a matter of choice as to how an entity is to be organized and managed.

The recitation “of forming a FDIC insured banking structure that utilizes a multi-class layered limited liability organization having a pass through tax status and in such a manner as to enable profits and losses to pass through to owners under a partnership scheme and while at the same time enabling banking customers to become profit sharing members that also participate in ownership and management of the banking structure” has not been given patentable weight because the recitation occurs in the preamble. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535 F.2d

Art Unit: 3696

67, 190 USPQ 15 (CCPA 1976) and Kropa v. Robie, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951).

As to claim 18, Schloss and Ford in view of official notice show all elements of claim 12. Schloss further shows wherein organizing the bank holding company includes organizing a multi-member board of managers, including management members, founding members and investment members, wherein the investment members provide capital in the form of assets, the management members providing management services to the bank holding company in the form of knowledge and experience, and the founding members providing capital and investment into one or more of the at least one franchise banks (§§ 0053, 0098-9).

As to claim 19, Schloss and Ford in view of official notice show all elements of claim 18.

Examiner takes official notice that capital may be provided in the form of cash, a liquid asset.

It would have been obvious to one of ordinary skill in the art at the time of the invention to have further modified the invention disclosed in Schloss and Ford as a matter of choice as to how an entity is to be organized and managed.

As to claim 20, Schloss and Ford in view of official notice show all elements of claim 18. Ford further shows wherein organizing the bank holding company further includes establishing a board of directors comprising at least seven members (pgs. 1-3).

As to claim 21, Schloss and Ford in view of official notice show all elements of claim 20. Ford further shows wherein the board of directors consists of seven members



Art Unit: 3696

(pg. 1).

As to claim 26, Schloss and Ford in view of official notice show all elements of claim 12. Schloss further shows wherein the at least one franchise bank is designed to accept and service from at least one business member and at least one individual member who are both designated to receive yearly distributions of profits of the at least one franchise bank (¶¶ 0053, 0098-9).

As to claim 27, Schloss and Ford in view of official notice show all elements of claim 12. Ford further shows wherein the at least one franchise bank includes at least two franchise banks located in distinct locales (pgs. 1-3).

10. Claim 13-16 and 22-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Schloss and Ford in view of official notice and further in view of Keene (One Holding Company Stands Alone, 1986).

As to claim 13, Schloss and Ford in view of official notice show all elements of claim 12.

Schloss and Ford in view of official notice does not specifically show wherein the bank holding company provides services to the at least one franchise bank, the services provided including at least one of: loan sourcing services, marketing services, mortgage services, insurance services, property management services, equipment leasing services, mutual fund management services, or consulting services.

Keene teaches wherein the bank holding company provides services to the at least one franchise bank, the services provided including at least one of: loan sourcing services, marketing services, mortgage services, insurance services, property

Art Unit: 3696

management services, equipment leasing services, mutual fund management services, or consulting services (pgs. 1-3, showing expertise of bank holding company being used by subsidiary bank – i.e., consulting).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have further modified the invention disclosed in Schloss and Ford in view of official notice by the teaching of Keene in order to further exercise an organizer's matter of choice as to the services it will provide.

As to claim 14, Schloss and Ford in view of official notice and further in view of Keene show all elements of 13. Keene further shows wherein the services provided include: the loan sourcing services, the marketing services, the mortgage services, the insurance services, the property management services, the equipment leasing services, the mutual fund management services, and the consulting services (pg. 1, showing pricing and product (encompassing loan, marketing, mortgage, insurance, property management, equipment leasing, mutual fund management and consulting)).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have further modified the invention disclosed in Schloss and Ford in view of official notice by the teaching of Keene in order to further exercise an organizer's matter of choice as to the services it will provide.

As to claim 15, Schloss and Ford in view of official notice show all elements of claim 12. Ford further shows a chartered bank (pg. 1). Further, as previously stated, it is well known in the art that chartered banks provide services as specified according to their charters.

Schloss and Ford in view of official notice does not specifically show wherein the charter services provided to the at least one franchise bank include: consolidating bank accounting information for the at least one franchise bank; reporting to regulatory agencies for the at least one franchise bank; providing a template defining a look and feel for the at least one franchise bank; providing marketing and advertising services, human resource management, audit support, payroll services, legal and accounting support to the at least one franchise bank; and providing hardware and software to the at least one franchise bank.

Keene teaches a “parent entity” providing various administrative functions including marketing, human resource management, legal and accounting, for its subsidiary organization (pg. 1).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the invention disclosed in Schloss and Ford in view of official notice by the teaching of Keene in order to provide a desired structure for a business entity.

As to claim 16, Schloss and Ford in view of official notice and further in view of Keene show all elements of claim 15. Examiner takes official notice that it is well known in the art to incorporate timelines and milestone dates in the formation of business entities (for example, start-up, completion of initial capital requirements, selection of management, completion of regulatory applications, selection of location, and setup of infrastructure and formation of goals).

As to claim 22, Schloss and Ford in view of official notice show all elements of claim 12. Ford further teaches establishing a board, and the number of manager members which examiner analogizes to any type of board, including advisory (pg. 1). Examiner notes it is a matter of an option choice (one or more founding members, one or more representatives of the bank holding company and one or more representatives of the charter bank) to designate from which entity those members will come to comprise the board.

Schloss and Ford in view of official notice do not specifically show an advisory board.

Keene teaches establishing an advisory board (pg. 2).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the invention disclosed in Schloss and Ford in view of official notice by the teaching of Keene in order to create a desired organizational structure.

As to claim 23, Schloss and Ford in view of official notice and further in view of Keene show all elements of claim 22. Ford further teaches wherein the advisory board consists of seven individuals, the seven individuals consisting of three founding members, one representative of the bank holding company, one representative of the charter bank and two franchise bank members (pg. 1-2).

As to claim 24, Schloss and Ford in view of official notice show all elements of claim 12. Schloss further shows:

designating at least one management member who contributes capital and engages in management of the bank holding company and the at least one franchise

bank ((¶¶ 0053, 0098-9);

designating at least one founding member who contributes capital to the bank holding company (¶¶ 0053, 0098-9); and

designating at least one investment member who contributes capital to the bank holding company and makes deposits into an account at the at least one franchise bank ((¶¶ 0053, 0098-9).

Schloss and Ford in view of official notice do not specifically identify the specific entities.

Keene teaches boards at different levels of an organization (pgs 1-3), said boards being possibly independent or overlapping. Further, it is well known in the art that business organizers may establish with operating agreements the responsibilities of each member of an organization. Further, analogizing to credit unions, a member is not precluded from being a customer, who may make deposits to an account with the organization.

It would have been obvious to one of ordinary skill in the art at the time of the invention to have further modified the invention disclosed in Schloss and Ford in view of official notice by the teaching of Keene in order to create a desired organizational structure.

11. Claims 17 and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Schloss and Ford in view of official notice as applied to claim 12 above, and further in view of Mares ("The Importance of a Well-Drafted LLC Operating Agreement," article in The Tax Adviser, Aug. 1996).

As to claim 17, Schloss and Ford in view of official notice show all elements of claim 12.

Schloss and Ford in view of official notice do not specifically show wherein the franchise bank members include preferred members as well as other members, wherein the preferred members are members having minimum account balances with the at least one franchise bank and that receive preferred rates and distributions of earnings based on a formula of deposits and other banking use or activities at least one franchise bank, and wherein the other members receive a nominal distribution of earnings based on earnings of the at least one franchise bank.

Mares teaches formation of an operating agreement with different levels of distribution of earnings based on different factors that can be specified by the entity organizers (pgs 3-5).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the invention disclosed in Schloss and Ford in view of official notice by the method taught by Mares in order to specifically and clearly designate requirements for distribution of earnings.

As to claim 25, Schloss and Ford in view of official notice show all elements of claim 12. Schloss further shows a founding member who is designated to contribute capital (¶¶ 0095-0099).

Schloss and Ford in view of official notice do not specifically show wherein the at least one franchise bank further comprises at least one franchise founding member who

Art Unit: 3696

is designated to elect board members to the franchise bank and to vote to distribute profits from the franchise bank.

Mares teaches members formulating an operating agreement to establish which members will exercise various rights – e.g., contribution to capital and voting on issues such as operational issues, economic issues, choosing board members of the organization or a subsidiary, profit distribution, etc. (pg. 484-488).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the invention disclosed in Schloss and Ford in view of official notice by the method taught by Mares in order to specifically and clearly designate which business members are responsible and to what degree, for capital contribution and voting to elect board members and to distribute profits.

### ***Response to Arguments***

12. Applicant's arguments with respect to claims 12-27 have been considered but are moot in view of the new ground(s) of rejection.

### ***Conclusion***

13. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Carol See whose telephone number is (571)272-9742. The examiner can normally be reached on Monday - Thursday 6:45 am - 5:15 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Dixon, can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.



Art Unit: 3696

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/Ella Colbert/  
Primary Examiner, Art Unit 3696

Carol See  
Patent Examiner  
Art Unit 3696